

**BDAC Water Use Efficiency Work Group  
Meeting Summary  
September 26, 1996**

The fifth meeting of the BDAC Water Use Efficiency Work Group was held on Thursday September 26, 1996 at the Resources Building from 9 a.m. to noon.

*(Some attendees who arrived late and/or who did not sign in are not listed below)*

BDAC Members present were:

Judith Redmond, Chair	Roberta Borgonovo	Alex Hildebrand
Richard Izmirian	Mary Selkirk	Stuart Pyle

Invited Participants of the Work Group present were:

Scott Akin	Byron Buck	Ed Craddock
Ronnie Cohen	Mary Ann Dickinson	Bill Jacoby
Lance Johnson	Susan Munves	Palma Risler
Brad Shinn		

CALFED Staff present were:

Rick Soehren	Sharon Gross
--------------	--------------

Other Participants included:

Lynn Barris	George Basye	Charles Binder
Kirk Brewer	Linda Cole	Bill DuBois
Terry Erlewine	Connor Everts	David Fullerton
Dick Harter	Mike Heaton	Liz Howard
Scott Jercich	Jerry Johns	Bill Johnston
Doug Jones	Dennis Letl	Steve Macaulay
Ed Morly	Larry Rohlfes	Joan Ryan
Craig Scott	Tracy Slavin	Lora Steere
Marc Van Camp	Don Waganet	Greg Young

The Work Group chair, Judith Redmond, started the meeting by asking for progress reports from agricultural and urban representatives regarding development of stakeholder proposals for water use efficiency approaches. Brad Shinn stated that agricultural stakeholders have been meeting and are discussing what needs to be done and what is appropriate with regard to efficiency improvements. He expects the stakeholder group to develop a proposed approach by the next Work Group meeting (or possibly, not until the following one).

The discussion quickly turned to an issue raised by some stakeholders at previous meetings, in comment letters, and at the recent September 20 BDAC meeting. This issue involves the desire to separate "statewide water management" oriented tools from tools that directly target local

conservation. Some feel that there is not a clear correlation between the need for increased levels of on-farm/district conservation and the tools that were proposed for agricultural water use efficiency. Part of this confusion stems from differences in the opinion regarding the role of water markets. There were also questions regarding the role and scope of this work group. Judith told the group that a newly scheduled BDAC meeting (to be held on October 25) will provide an opportunity for BDAC to address issues related to the Water Use Efficiency Work Group, including role and scope as well as related issues such as water transfers. The outcome of that meeting may better define the role of this work group and its discussion of transfers. Judith identified the following issues and the forums in which they will be discussed:

- Water Transfers: item on agenda for October 25 full BDAC meeting.
- Scope of Work Group Efforts: item on agenda for October 25 full BDAC meeting.
- Water pricing: recommend for future WUE meeting.
- Use of conserved water: recommend for future WUE meeting.
- Efficient use of water diverted for environmental purposes: addressed at future WUE meetings.

The discussion again turned to the separation of water management tools (specifically, water transfers) from other tools thought more pertinent to on-farm/district conservation. It was argued by some that water transfers should be viewed as an incentive to encourage efficiency, but others felt that they should be left as a separate issue. It was pointed out that agriculture has previously stated that there is only limited potential for reduction in demand at the Delta through conservation. Therefore, it was argued, transfers need to be included as a tool to provide another method of reducing demands at the Delta. It was concluded that the scope and role of the work group need to be better defined before the group will be able to develop consensus on an agricultural water use efficiency approach.

Rick Soehren informed the group that CALFED will begin impact analysis as part of the Programmatic EIR/S the first part of November. Rick would like to be able to provide some direction regarding the outcomes of this work group to CALFED by that time. This seems feasible for the urban approach. However, the agricultural approach will probably not be completed until the end of November, though it should be known what direction the approach is headed previous to that time.

Bill Jacoby provided an overview of the activities of the California Urban Water Agency Water Conservation Committee/Environmental Water Caucus (CUWA/EWC) effort to develop a proposed urban approach. This group has been reviewing the original draft CALFED urban tools and objectives and is discussing an approach using these tools. The major issues, according to

Bill, are setting the bar that defines the "high level" of efficiency and determining what assurances are necessary to make sure BMPs are implemented. Those developing the proposal have agreed that the CUWCC is the best organization to set the bar regarding levels of implementation and to develop appropriate standards to be met. However, it was noted that there will not be agreement to standards until there are assurances that standards are realistic and implementable. The proposal will likely reflect the belief that the State Water Resources Control Board (SWRCB) is the best governing body to require and enforce a certification process. The CUWCC is already working on developing standards for BMPs. It was mentioned that the consensus being reached by the CUWA/EWC group and the subsequent proposed approach will still need to be approved by the CUWA board. The CUWA board, it was noted, may not universally accept and agree with the proposal. CUWCC representatives also noted that they need to further educate their members as to what may be proposed to help alleviate agencies feeling surprised later in this process. A CUWA/EWC proposed approach may be available to CALFED and the Work Group by the next Work Group meeting.

A question was posed regarding the authority CUWCC may have to evaluate and provide recommendations on certification. Would such action make the CUWCC a regulatory body and is that appropriate? The response was that the CUWCC already reports on the activities of the signatory agencies and the intention is only to provide additional information. It has been accepted by many urban agencies that the CUWCC can take an expanded role and can provide advice on setting the required standards to be met. Some were surprised that there was a question regarding the role of CUWCC and the idea of using the MOU as the "bar." The MOU would be seen as the "bar" with the proviso that the BMPs are reviewed and modified as necessary.

Byron Buck gave the group an overview of CUWA's effort to develop water recycling planning standards. These would be similar in approach to standards developed under the urban MOU. A meeting will be held soon to start preparing a draft proposal. The CUWA group, however, has not addressed how water recycling should be included in a CALFED water use efficiency approach. The Work Group could provide important policy guidance on this issue (e.g., Should CALFED require levels of recycling? Should water recycling be incorporated into the existing MOU?). It was suggested that recycling should be discussed with a statewide perspective. The example was given of using Bay Area wastewater for Delta outflow rather than for delivery to Central Valley agriculture.

The meeting was redirected to the discussion paper attached to the pre-meeting mailout, *Urban Water Use Efficiency Approach Discussion Paper*. Judith asked for comments on the re-drafted objectives and stated that some changes have been made in response to previous comments received. (Because several objectives and tools apply to both agriculture and urban, a combined treatment of the two approaches, with statewide water management as a distinct element, may be preferable.

The group agreed that there was a need to incorporate the existing Urban Water Management Planning Act requirements into the urban approach. Urban representatives who already prepare the urban water management plans stated that they would appreciate a useful link between the planning process and potential certification requirements.

There was concern expressed with regard to the objectives that refer to market and regulatory tools. The term "market" has different interpretations within the work group. For the purpose of this discussion, market tools are those that change the perception of the value of water or management of water, while regulatory tools are ones that require agencies to do something. This distinction might reduce the interpretation of "market" as strictly being a "water market".

There was significant discussion regarding the objective relating to landscape BMPs. It was felt by the work group that the potential savings relating to landscape water reduction needed to be stressed, but an objective specific to landscape BMPs implied that other BMPs did not have significant potential. The group felt that the wording of the objective will need to be modified to include the potential of all BMPs. The issue of AB 325, an act that requires cities and counties to adopt landscape ordinances, was brought up. The feeling is that there is no accountability for enforcing these ordinances. It was suggested that maybe water suppliers should take on the role of better enforcing these ordinances since it could be in their own best interest.

The issue was raised that the tools and objectives all seem to target demand side reduction and not discharge side issues. Even recycling affects the demand side, it was stated. The group decided that the issue of discharge side mainly relates to water quality, however, and should be addressed through water quality actions. Communication between this work group and the technically oriented water quality teams was recommended.

There was concern expressed that the objectives and tools do not take into account investor owned water companies. The investor owned utilities are concerned about the Public Utilities Commission (PUC) rules regarding cost recovery. The current approach limits the district's ability to pass on the cost of conservation related improvements to the user and thus, implementation of conservation measures can reduce company profits. It was noted that the CUWCC is also working on ways to resolve this issue.

There was some discussion regarding the order of the tools presented in the discussion paper and similarities that might exist between the "most promising tools" in the discussion paper and tools being considered for the CUWA/EWC proposed approach. Rick Soehren responded that the tools were presented roughly in order from those that emphasize voluntary/market mechanisms to those that are mandatory/regulatory. Other than that general order, there is no significance to the order in which the tools are presented. Byron Buck observed that the tools in the paper are very similar to the draft approach being considered by CUWA/EWC.

There was a question regarding the way in which proposed approaches developed by stakeholders would be incorporated into the process. Rick Soehren replied that comments from stakeholders, including proposed approaches for water use efficiency, are vitally important to the Program. CALFED will rely heavily on such stakeholder input. In order to assure that water use efficiency approaches meet objectives and balance the needs and concerns of all stakeholders, CALFED will develop approaches after considering all stakeholder comments and proposals.

Discussion was again focused on the tools and the issues presented in the discussion paper. Time was very limited. Instead of taking each tool in succession, the group was asked to raise any significant concerns that they had about the overall approach proposed in the paper. Written comments were strongly recommended. It was suggested that something be developed to show the relationship of tools to objectives. The table at the end of the discussion paper, it was pointed out, is intended to provide that link, although additional discussion may be warranted.

A representative from the SWRCB stated that the SWRCB is willing to play a role in enforcement of water use efficiency, but the specifics of such a role need to be discussed with SWRCB staff in detail. Definition of roles would probably need to occur at staff level initially. In order to change from current methods of enforcement, new legislation may be necessary. The idea of certification has not been internally discussed at the SWRCB. Regarding conditions upon water rights permits, the potential would be limited if conditions only applied to new rights. This is because of the limited number of new urban use permits issued. Conditions may need to be broader and could be implemented through legislative changes (e.g., certification as a legislative requirement for proving efficient use of water). This would make enforcement roles easier for the SWRCB.

It was noted that the previous draft of the urban objectives and tools paper included a tool regarding water pricing but such a tool was not included in this draft. Tiered water pricing, it was argued, is a necessary economic tool to affect change in demand. Staff noted that the pricing tool in the previous draft was blank and was not included in this draft because it was seen as part of the existing MOU. Some still feel that pricing should be a tool even though it is a BMP in the MOU. This issue will be discussed in greater depth at a future meeting.

It was suggested that the tool imposing conditions on buyers in the water transfer market could also place conditions on the sellers, and this change should be considered.

The next two work group meetings were set for:

- Thursday, November 7, 1996 from 1:30 to 4:30, and
- Monday, December 2, 1996 from 1:30 to 4:30